

## **The Roles of NGOs Amid Neoliberal Agendas**

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### **Introduction**

NGOs perform influential roles in facilitating development and aid within civil societies. As many scholars have discussed and debated, the functions and purposes of NGOs can vary. According to the United Nations Department of Public Information, an NGO is defined as a “voluntary citizen’s group that is organized on a local, national or international level to address issues in support of the public good. Task-oriented and made up of people with a common interest, NGOs perform a variety of services and humanitarian functions, bring citizen’s concerns to governments, monitor policy and program implementation, and encourage participation of civil society stakeholders at the community level” (Leverty). Drawing from an inter-governmental body that has created and partnered with prominent international NGOs, this definition provides enough of a clear basis for the purpose of this paper.

Following the fall of the Soviet Union, and the dismantling of the Eastern Block and Iron Curtain, the early 1990’s became a major turning point for the impact NGOs would have in civil society. This is evident through the proliferation of registered NGOs during the time period. The number of international NGOs grew from 6,000 in 1990 to over 26,000 in 1999 (Ben-Ari). In addition to the effects of the nationalization of Eastern Europe, world-system theorists attribute the increase in INGO activity with the “expansion of the Western capitalist system into [the] former colonies, with INGOs replacing Western employment and the power that was used to govern [the] colonies”, referring to the sovereignty of former colonial nations in the African continent. Framing the conditions for which NGOs have become prevalent will be addressed

through the analysis of the proliferation of funding for NGOs as a result of the shift in the conceptual framework defining the role of NGOs in advancing state interests.

### **Funding**

As the number of NGOs have increased since the 1990's, so has the funding for these organizations. Comprehensive data for the total aggregate amount of global NGO funding is difficult to obtain. However, available datasets from intergovernmental organizations, and federal governments, provide a glimpse of the increase in international funding for NGOs since the 1990's. For example, of the 3000 NGOs registered with the Organization for Economic Cooperation and Development (OECD), expenditure for the registered NGOs grew from \$2.8 billion to \$5.7 billion between 1980 and 1993 (Lewis 2). In the review essay, "NGOs and Western Hegemony: Causes for Concern and Ideas for Change", author Glen Wright also provides a general background for changes to NGO funding, with acknowledgements to the limitations in understanding the inclusiveness of these numbers. In 2007, the OECD's Development Assistance Committee published figures on NGO funding stating that among the 24 OECD countries, \$103.5 billion of aid was disbursed, 6.5% of which was dispersed through NGOs. This data excludes the amount of aid that the USA directly provides to INGOs or the amount that is provided to multilateral agencies to disperse to NGOs, which for the year 2007 totaled \$35 billion. With consideration of these limitations to the funding data, the author claims that 15-20% of total development aid is channeled through NGOs (Wright, 125). With a background understanding of the increase in financial support that has enabled the proliferation of NGOs since the 1990's, scholars must ask the question: how has the increase in funding from government entities impacted the functions of NGOs? To answer this question, one must dissect the impacts of increasing state and private donorship for NGOs in order to understand the effects

of the implementation of the New Policy Agenda, and the impacts of funding on the functions of NGOs, since the 1990s. Changes in the sourcing of donorship for NGOs has drastically changed the purpose of NGOs, and the adoption of liberal principles has shifted the agendas for development NGOs in order to adhere to the hegemonic interests of governments, rather than to pursue independent, public interests of their recipients. This assertion is dependent on the examination of the relations between donor countries and NGOs, and recipient countries and NGOs, by examining how the neoliberal concept of the “New Policy Agenda” has influenced the monetary relations between NGOs and donors.

### **The New Policy Agenda**

Coined in 1993 by Mark Robinson, the New Policy Agenda has been attributed to the increase in support for NGOs, and the heightened attention promoted for the capacity for NGOs to perform certain functions in lieu of government-directed initiatives in the international arena. It emphasizes the “development of good governance, democracy, and civil society, and the provision of services“ (Wright 125). In turn, funding for NGOs has increased, with the assumption that NGOs are capable of meeting the agenda’s goals. In Wright’s argument of this policy, the author asserts the agenda reflects the increasing domination of neoliberal ideologies in socio-economic development, headed by Western states. Furthermore, the New Policy Agenda, from now on known as the NPA, centers around Western donor states “emphasising the role of NGOs in democratization and service provisions" (Wright 124-125). The NPA combines “neo-liberal economic policy prescriptions with a stated commitment to ‘good governance [which] has projected development NGOs as efficient and responsive to alternatives to the state” (Lewis 1). In the post Cold War context, the rise of neoliberal policies, that favored economic reform and democratization, shifted the role of the state in building democracies, in favor of civil

society organizations. These organizations however, would become de facto agents of democracies, and subject to state regulations of neoliberal agendas. These authors reaffirm the shift in the role that development NGOs have in relation to the interested parties willing to fund these NGOs- particularly democratic and capitalistic nations. The NPA is a crucial component to understanding how neoliberalism impacts the functionalities of NGOs, through government donorship for these organizations.

### **Legitimacy and Autonomy**

For the purpose of this analysis, the concepts of legitimacy and autonomy will be viewed as closely related concepts that can define the identity, functionality, and mission of NGOs. While legitimacy is a socially constructed term that has been discussed intensively in the social sciences, this analysis defines legitimacy as “the particular status with which an organization is imbued and perceived at any given time that enables it to operate with the general consent of peoples, governments, companies, and non-state groups around the world” (Slim). For NGOs, legitimacy is crucial to their advocacy efforts and projects, the relations they build with donor and recipient states, their target populations, and the international community. NGOs must retain legitimacy in order to continue operating under their broad mission: to facilitate development in civil societies. In similar respects, autonomy requires a capacity for NGOs to remain “non-governmental” and essentially independent of state influence. However, the relationship between donor states and NGOs under the NPA , poses a challenge to both legitimacy and autonomy of NGOs. By promoting the subjects of the New Policy Agenda, and in turn relying on the donations from Western governments, NGOs in the post 1990’s risk weakening their legitimacy in exchange for increasing government dependency.

Increased reliance on funding from Western governments weakens an NGO's legitimacy. Government dependency inhibits the capacity for NGOs to attract popular support, local participation, and volunteerism, if the NGO is perceived as less genuine because of its financial ties to a particular state that has particular political interests contradicting state interests of the recipient country (Wright 125). With the financial upper hand, Western governments and political interest groups can steer NGOs as a falsely displayed independent front. This form of exploitation harms an NGO's legitimacy while touting Western hegemonic principles supported by the NPA, and shows how donorship reliance can inhibit functionality. Dependency on government finance leads to challenges in building strong connections to constituents. Financial dependency creates a perception that an NGO is an extension of the donor state, because the NGO tries to conform to the expectations and demands of the financier in order to retain donor support (Kaloudis 106). Conformity to the state hinders the autonomous role NGOs must seek to promote.

On the issue of legitimacy, and the requirement for NGOs to conform to the agendas of donors, consider the following case. In Bosnia-Herzegovina, Muslim women's NGOs were not able to successfully resonate with and appeal to Western donors, in efforts to support the nation following the end of the conflict in 1995. Western donors entirely neglected religious NGOs, considering them to be exclusive and against the ideas of a multiethnic state in Bosnia-Herzegovina. Muslim women-run NGOs were forced to seek support from Islamic donors, who also had their own agendas regarding the allocation of the funds (Kaloudis 106). This caused a major issue both to the legitimacy of the organization, by threatening its capacity to carry out its own mission for the benefit of their target population, and its ability to remain autonomous in the face of state pressure to use funding in a specific manner, not conducive to the NGO's mission.

Alternative discourse, in the face of neoliberal domination of ideas, points to the NPA's influence on donorship behavior, in relation to NGOs, as hindrances to autonomy. Through the adoption of neoliberal principles, such as the capital market and private enterprises, "donors (consciously or unconsciously) promote a neoliberal discourse that undermines the autonomy of nonprofit organizations". This discourse includes support for the idea that "capitalist growth drives development", and seeks to influence poverty alleviation efforts by addressing socio-economic complexities with market-driven solutions, rather than redistribution and structural change. The author affirms that field-level engagement, and local participation with target recipients are crucial to addressing poverty, and yet these efforts can be jeopardized by neoliberal views of donor practices (Duval). Leaving little space for independent thought, NGOs face the challenge of implementing alternative solutions to issues they seek to address.

### **Accountability**

NGOs are entities that must be accountable to the people they serve, yet a lack of local accountability fails to address the public interests of civil society in the recipient countries. The New Policy Agenda distorts this accountability as funds given by governments must be accounted for. Shifting away from their accountability to the local people, NGOs also change their practices to adhere to the bureaucratic standards of donor states.

NGOs must be primarily accountable to their beneficiaries. However, in the decades after the utilization of the NPA, accountability efforts have shifted from a focus on the beneficiaries, to major donors. NGOs must meet the demands of donors, who would like to see the results of their generous contributions. By adhering to Western standards of oversight and management, two practices that are not inherently bad, NGOs are forced to limit their functionality potential when it comes to implementing projects. This is the case primarily because the "Western standard

emphasizes numbers, statistics, and efficiency over the qualitative aspects of development” (Wright 126). The New Policy Agenda puts additional strains on the efficacy of NGOs, especially in certain areas of service where this agenda approach is not sustainable. Without a proper accountability structure that seeks to perform impact assessments for the benefit of the recipient state, rather than the donor state, NGOs fail to utilize tools that will support impactful implementation of their projects, services, and advocacy efforts. For example, in Central Asian countries such as Kazakhstan, international NGOs fail to effectively implement projects and services because their Western-style programs are viewed by the recipients as culturally incompetent and divergent to Kazakh society (Kaloudis 108).

While some scholars seek to legitimize the role of accountability, others in the field are quick to claim that accountability from NGOs is not possible, warning of the inherent dangers of relying on non-government institutions to replace the responsibilities of the state. Increasing accountability pressure from the donor state takes away from the ability of the recipient state to work with the NGOs operating, in order to assure their practices adhere to the recipient country’s standards. Cooperation with the recipient state is crucial to the viability of an NGO’s functions. In the early 2000’s, the Haitian government struggled to manage the number of international NGOs operating in the country. Nearly all of the development in Haiti occurred through NGOs, not the Haitian government, causing issues with the government who sought to regulate NGO activity in the country. Haitian leaders and government workers outlined these issues, including a former Haitian Minister of Social Affairs who argued that international funding directly to NGOs “makes it hard for the government to establish priorities and ultimately undermines the ability of the state to govern” (Schuller 99). Schuller points out the importance of participation, a method displaying an NGOs accountability to serve its beneficiaries, as an issue that Haitians and the

Haitian government have emphasized. In his qualitative research, Schuller found that participation was perceived differently between NGOs, and their beneficiaries. Whereas NGO directors believed that target populations participated in stages of the project such as defining the problem, and planning the project, local community members responded that they were only participating in the execution of the project (Schuller 111). This disconnect provides evidence that NGO accountability to the local communities and to the recipient state, are more unequal than NGO accountability to donor states.

### **Alternative Discourse**

NGOs are mostly a force for good and provide valuable resources and skills for the betterment of civil society (Kaloudis 108). There still is a great need for NGOs and grassroots organizations in order to help provide solutions to global inequities in sectors such as migration, health, education, and more. Yet, the viability of the long term impacts of NGOs requires a reckoning with the current practices implemented by NGOs, mainly in part of their relationship with funding. Scholars have provided various solutions and inquisitions into possible alternative methods to the performance of NGOs.

Some Western NGOs (NNGOs) have transitioned from implementation approaches to active partnerships with local NGOs (SNGOs) in the form of “ongoing processes of negotiations, debate, occasional conflict and learning through trial and error. Risks are taken and although roles and purposes are clear they may change according to need and circumstance” (Lewis 4). Active partnership promotes positive practices lacking in current methods to NGO operations. Through active engagement with local populations, partnerships can address the kinds of challenges posed in countries such as Haiti, which was previously mentioned as having issues related to local participation in NNGOs. Similarly, accountability can be remedied when NNGOs



are in active communication with SNGOs, and therefore are more accountable to the impacts of their projects and services for the benefit of the target population rather than their donor pool. Ultimately, alternative solutions are needed to respond to the domination of neoliberal views on the works of NGOs, in order to ensure the longevity, functionality, and success of these organizations that work hard to support civil society.

### **Conclusion**

Since the 1990's, the proliferation of NGOs has had a significant impact in the sector of aid and development. From providing necessary humanitarian aid and relief during times of disaster, to facilitating advancements and developments in civil society for the protection of universal rights, NGOs play prominent roles in the international community. Coinciding with the proliferation of NGOs as a result of new developments in the international arena beginning in the 1990's, Western countries have helped to embolden the purpose and capacity of NGOs to address global issues, by increasing funding. However, with an increase in funding from donor states, the expectations imposed on NGOs has posed many challenges to the integrity, legitimacy, autonomy, and accountability of these NGOs, as they seek to empower communities through their missions and projects. These challenges jeopardize the functionalities and efficacy of NGOs to continue operating in the manner they wish to operate, and to provide the kinds of assistance necessary for the development of target populations. Financial dependency gives way to conformity with norms that may not be viable in a changing world, and new alternatives are required to address the gaps in the functions of NGOs.

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